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S E C R E T AMMAN 001957

SIPDIS

EB/ESC/TFS FOR NELSON  
EB/EPPD FOR THOMPSON  
S/CT FOR KUSHNER  
IO/PSC FOR SCHWEITZER  
NEA/ELA FOR MEYER/BARON  
TREASURY FOR ZARATE/GLASER  
OFAC FOR WERNER

E.O. 12958: DECL: 03/02/2015

TAGS: [KTFN](#) [KVPR](#) [EFIN](#) [PTER](#) [ETTC](#) [PREL](#) [CVIS](#) [JO](#)

SUBJECT: TERRORISM FINANCE: 2005 UPDATE NO. 2 - EMBOFF ROLE

REF: STATE 32688

Classified By: Charge d'Affaires David Hale for reason 1.4 (b) and (d)

1. Post provides replies to reftel queries as follows:

2. (C) Over the past two years, the GOJ has not reported the seizure of any funds belonging to 1267-designated individuals or entities, though it has sent out freeze orders after each 1267 designation. (They did, however, freeze hundreds of millions of dollars worth of Iraqi assets, \$250 million of which has been transferred to the DFI.) Jordanian banks are not allowed to perform any banking services for listed individuals or entities subsequent to their being listed. If 1267-designated funds were to be found in Jordan's financial system, the GOJ would freeze them under the regulatory authority of the Central Bank of Jordan. The GOJ has legal authority to act because UN Security Council Resolutions override domestic laws.

3. (C) The GOJ has historically been supportive in co-sponsoring designations upon our request. If in the future, however, the U.S. were to ask for GOJ co-designation of an individual or entity who in the statement of case was described as having links to a Palestinian terrorist organization, the GOJ might balk at co-sponsorship for domestic political reasons (Jordanian citizens of Palestinian origin are estimated to represent more than 60% of total population).

4. (C) Recent events have sparked an intense interest within the GOJ in improving its anti-terrorist financing regime. The GOJ would readily accept any assistance offered it in this field, including an assessment of training needs. The GOJ's current priority needs center on the creation of a financial intelligence unit in the Central Bank, which will need to be set up in the most effective possible manner and whose staff will need to be trained to effectively operate the unit.

5. (S) Jordan is a high-risk country both for significant fund raising and significant banking services. The former risk is based on the presence of a large and relatively high-income Palestinian-Jordanian community, much of which is sympathetic to Palestinian militants operating next door, and of a large, relatively high-income, and predominantly Sunni Arab expatriate Iraqi community. Fund-raising risk is mitigated by the relative ease of detection by Jordan's General Intelligence Directorate, which has proven to be highly competent in detecting conspiracies involving Jordanian extremists operating in Jordan and has made HAMAS and other Palestinian groups high-priority targets. More worrisome is the risk that significant banking services will be available to terrorists. There is evidence (for example, the recent results of an OCC investigation of Arab Bank's New York City branch) that services have inadvertently been provided to terrorists by Jordanian banks in the past; again, Jordan's proximity to areas of operation for terrorist groups is a primary reason for the risk. Jordanian banks have by far the most extensive branch networks in the West Bank and Gaza Strip, hold banking licenses in Iraq or stakes in Iraqi banks, have large numbers of expatriate Iraqis as customers, and are now expanding on a small-scale basis into Syria.

HALE